


Medium-Term Management Plan 2019 (Plastics Machinery Division)

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 **Sumitomo Heavy Industries, Ltd.**
Senior Vice President,
General Manager, Plastics Machinery Division
Kazuo Hiraoka

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About Plastics Machinery Division

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About Plastics Machinery Division

 Sumitomo Heavy Industries, Ltd.

Plastics machinery
division

Chiba works

Injection molding machine / Sealing press machine

Sumitomo Heavy Industries Modern, Ltd. Film lines

Sumitomo (SHI) Demag Plastics Machinery GmbH
Injection molding machine

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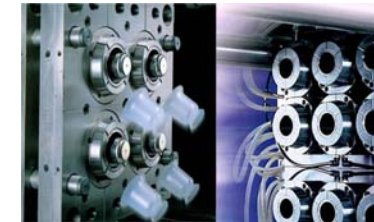
About Plastics Machinery Division

Plastics machinery division (Injection molding machine / Sealing press machine / Mold)

◆ Injection molding machine

◆ Sealing press machine

◆ Mold

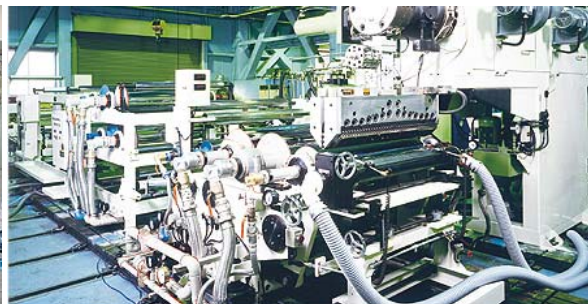


Sumitomo Heavy Industries Modern, Ltd. (Film lines)

◆ Extrusion coating line

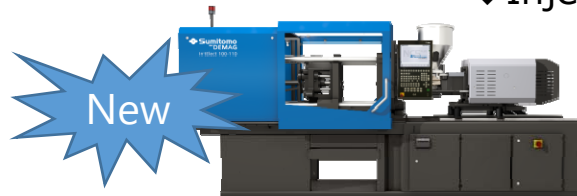
◆ Sheet line

◆ Cast film line



Sumitomo(SHI)Demag Plastics Machinery GmbH (Injection molding machine)

◆ Injection molding machine



In May 2017, released ALL-electric Injection molding machine New "IntElect"

01

Summary of “Medium-Term Management Plan 2016”

01

Summary of "Medium-Term Management Plan 2016"(MTMP16)

"Medium-Term Management Plan 2016"	Establish a strong profit structure and realize high-profit business
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1. "A tireless commitment to improving operational quality"
2. "Promote higher profitability by having world-class products"
3. Enhance portfolio

MTMP16				Result of MYMP16
JPY billion	FY14	FY15	FY16	<ul style="list-style-type: none"> • Plastics machinery division: Sales declined in FY2016 mainly due to the slowdown of the Chinese market • Demag*: Increased market share through a rise in sales of all-electric machines • Modern*: Sales increased due to strong market conditions in Japan and Southeast Asia
	Actual	Actual	Actual	
Sales	87.1	92.6	80.8	

* Modern =Sumitomo Heavy Industries Modern, Ltd.
Demag =Sumitomo(SHI)Demag Plastics Machinery GmbH

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Overview of “Medium-Term Management Plan 2019”



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Key Priorities and MTMP Target
of the Injection Molding Machine Business

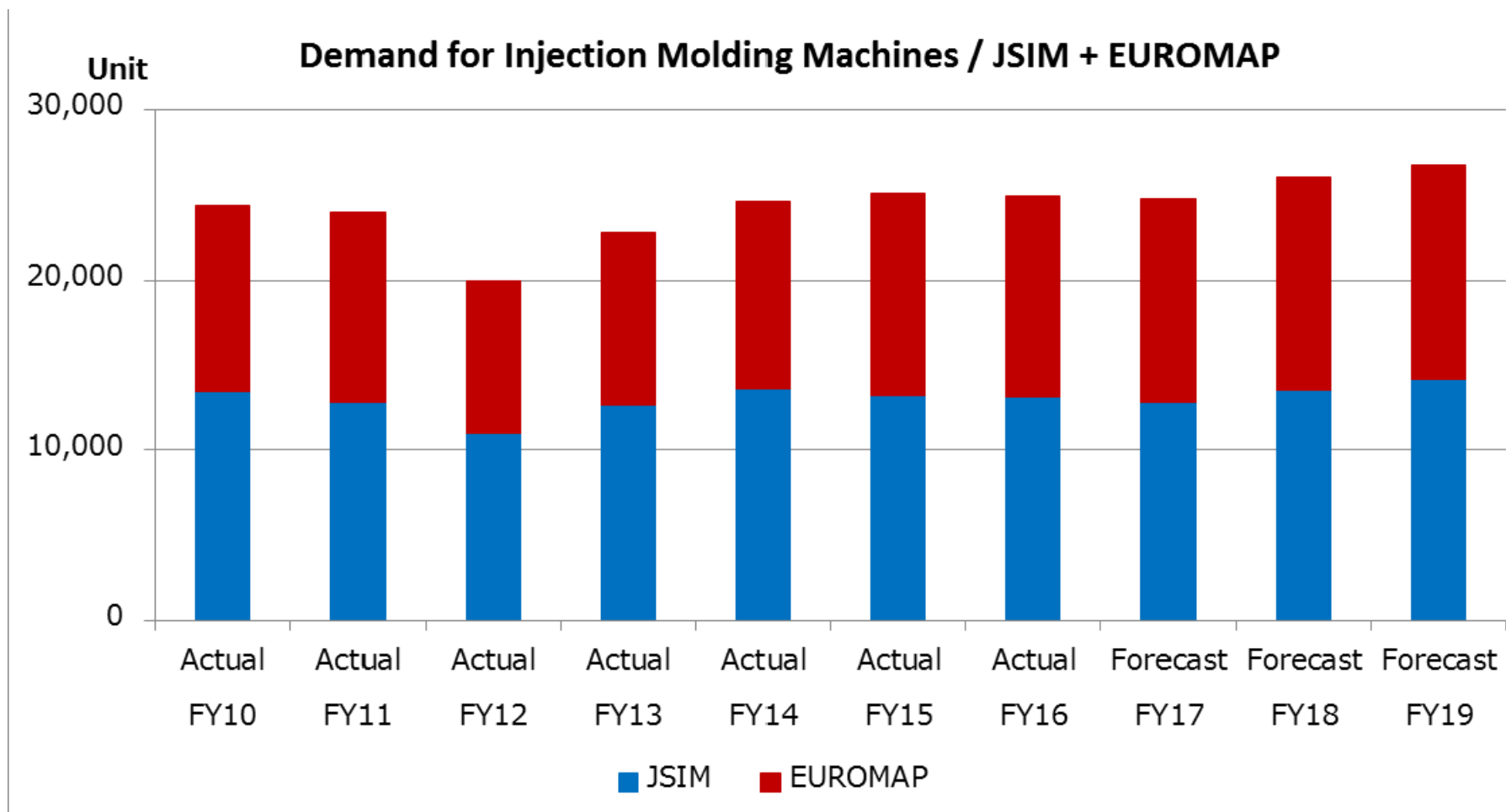
Target	FY16 Actual	FY17 Plan	FY19 Target
Net sales JPY billion	80.8	85.0	95.0

Key priorities	<ul style="list-style-type: none"> ● Sharing strategy with Demag (Strengthen collaboration in the areas of sales, after sales services and brand channels) ● Create competitive product portfolio ● Implement sustained levels of capital investments and production reforms ● Modern : Expand strategy and sales area in the industrial materials/ high performance film segments ● Develop talent globally; promote CSR activities
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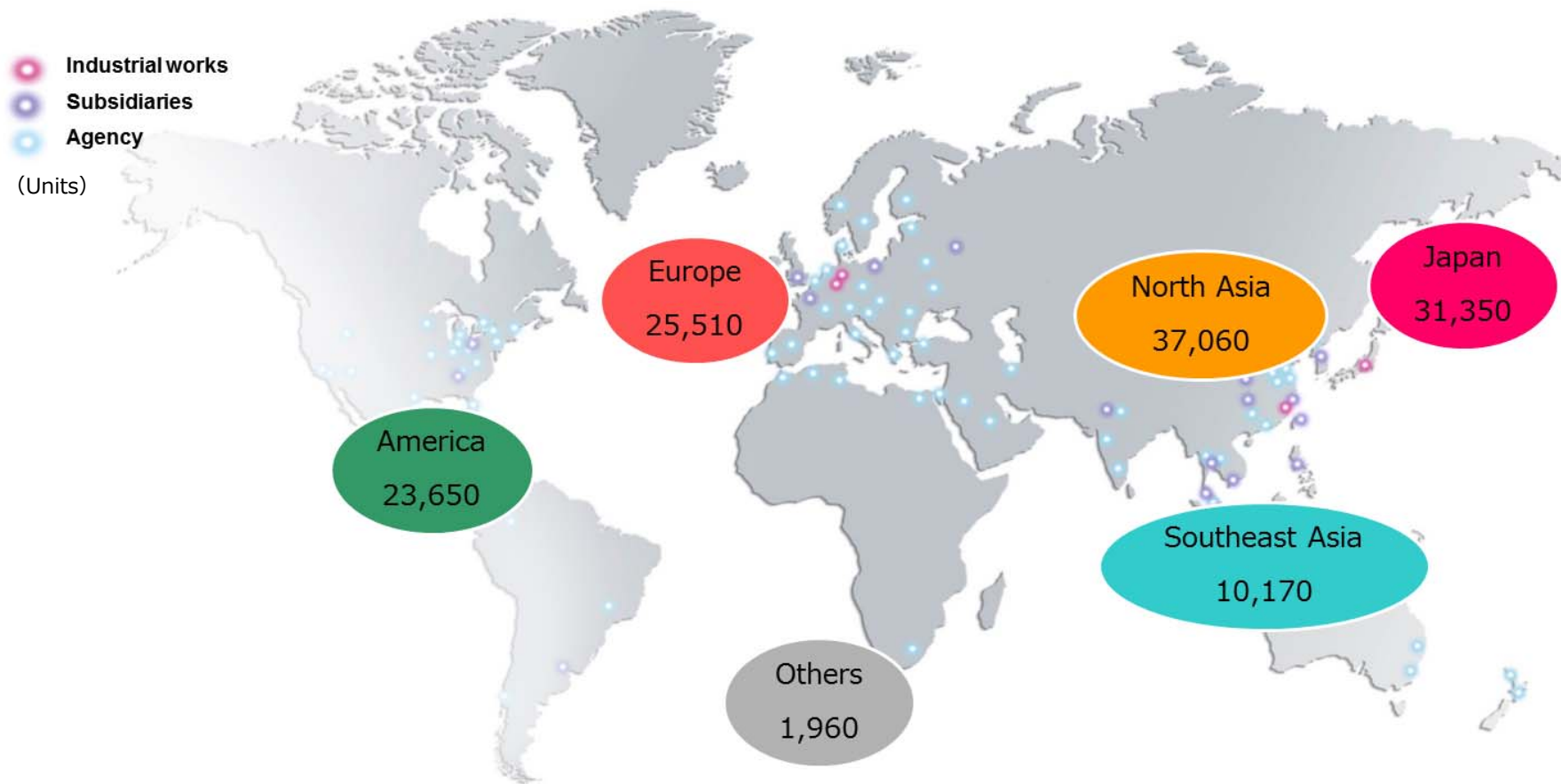
Market Conditions
 Demand for Injection Molding Machines
 /The Japan Society of Industrial Machinery Manufacturers(JSIM) + EUROMAP



With regard to demand, both JSIM and EUROMAP are forecasting a slight increase from 2016 onwards

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SHI's Status
 Number of Injection Molding Machines Delivered around the World
 (as at the end of December 2016)



The cumulative number of injection molding machines delivered around the world : 129,700 units
 (of which are all-electric injection molding machines – approximately 60,000 units)

02

Sales Composition Target – Injection Molding Machine

By region and industry / 2016 to 2019

By region

- Plastics machinery division

Strengthen potential of overseas locations (sales, after sales services and tendering capabilities) and aim to expand orders from local customers

- Demag

Aim to increase sales by maintaining orders levels from stable demand environments such as Germany and France; and to expand sales in recovering demand markets such as Southern Europe; in growing markets such as newly joined EU countries and in emerging markets by strengthen sales and after sales service capabilities

By industry

- Plastics machinery division

Implement enhancements in the industry segments of automotive and packaging.

- Demag

Sales enhancements of new all-electric injection molding machines; sales enhancements in the industry segments of packaging, electronics and medical. (Aim to increase market share in the packaging segment and all electric injection molding machines)



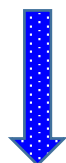
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Sales Strategy

– Enhance and expand sales/service capabilities as well as Asia network

2014 – 2016

- 1 Open new offices
(China/Guangzhou · Thailand etc.)
- 2 Open Technology Center
(China/Suzhou · Vietnam etc.)



2017 – 2019

- China · Southeast Asia
Increase proposal capabilities through enhancements to the Technology Center
- Enhance after-sales services
Enhance service in Asia
(Myanmar : from Thailand)
(Cambodia : from Vietnam)










Existing sales service base

02

Sales Strategy

– Enhance and expand sales/service capabilities as well as EMEA network

2014 – 2016

- 1  Expand scope of activities of distributors and increase responsiveness
- 2   Conclude agreements with distributors and increase responsiveness
- 3  Conclude new distribution agreements in emerging markets (expand scope of activities in the Middle East)
- 4    Establish local corporations and improve technology proposing and servicing capabilities using a customer-centric approach



2017 – 2019

- In high-demand countries, establish local corporations and [increase local responsiveness](#) to customers
- In emerging markets, conclude agreements with distributors and [increase local responsiveness](#) to customers
- An international team has also been established in Germany with the aim to [enhance after sales service support](#) levels for distributors located in countries where demand is low as well as global companies with needs in such countries

Existing sales service base



02 Product Strategy
 – Injection Molding Machines
 (Enhance line-up of all-electric injection molding machines)

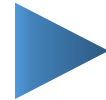
-- Plastics Machinery Division developed the all-electric injection molding machine --



SE-DUZ/HDZ series
2008~



SE-EV series
2011~



Achieved consistency on corporate colors



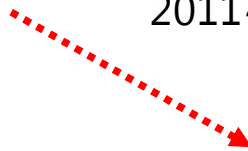
SE-EV-A series
2015~



New IntElect series
2017~

Moved towards common specifications and design

-- Demag developed the all-electric injection molding machine --



IntElect(smart) series
2009~



Collaborated on drive technology

Promote common approach for all-electric injection molding machines through the SE-EV-A Series and the new IntElect Series of products

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Product Strategy

- Injection Molding Machines (Strengthen IoT-related technologies)

Make smart factories

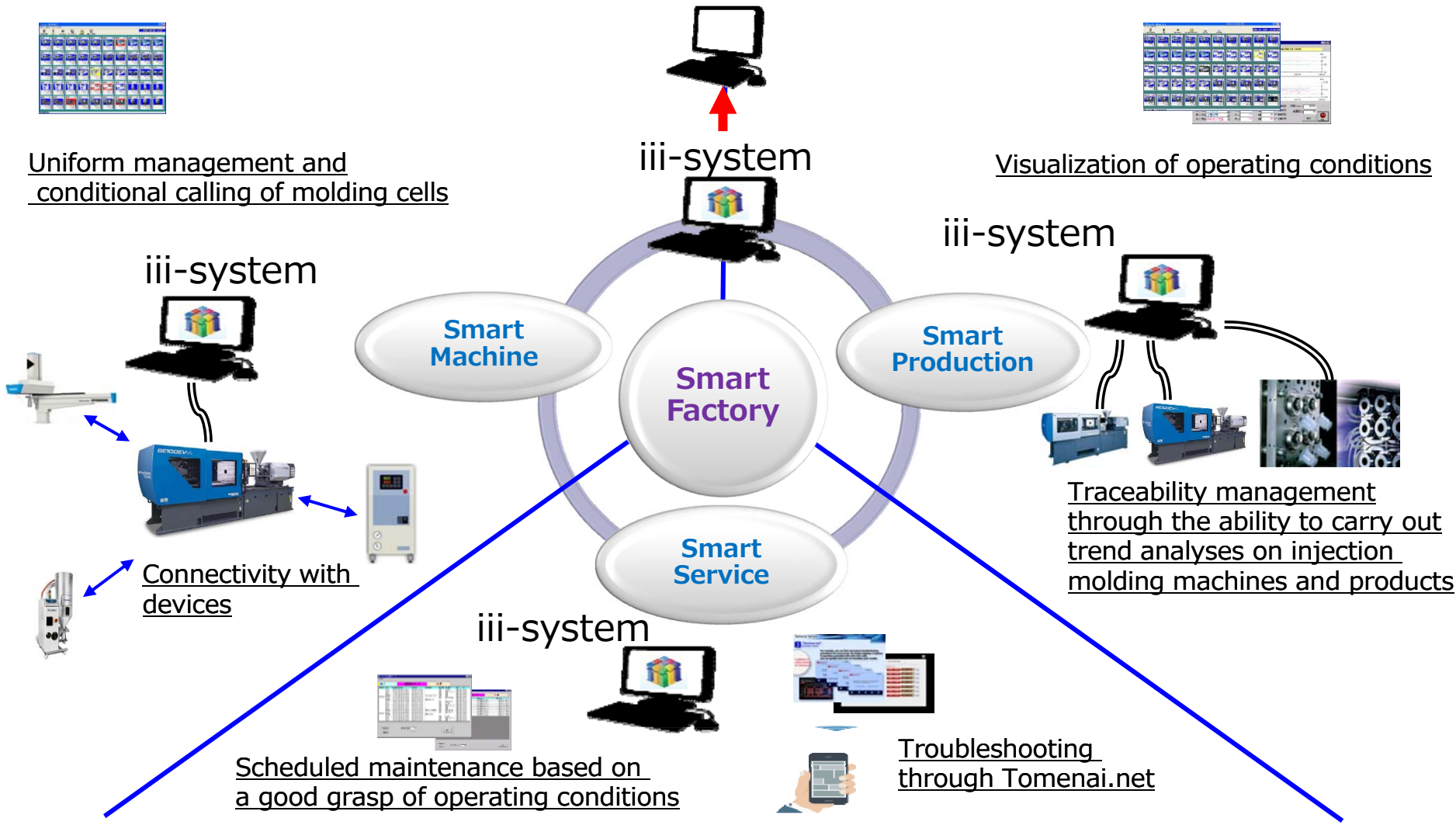
Customer hosted PC/MES



Uniform management and conditional calling of molding cells



Visualization of operating conditions



- Plastics machinery division
Activities to increase production efficiency:
Invest in line production / automation / improvements to logistics
Ability to visualize the production process
⇒ Shift towards smart factories
- Demag
Improve production capabilities through production equipment enhancements / production layout changes and rebuilding of production process
- Modern
Enhancement of core technology and production capacity by expand plant and improve mold processing technology

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“Medium-Term Management Plan 2019” Sumitomo Heavy Industries Modern, Ltd.

Take steps towards achieving annual sales of JPY10 billion through the expansion of the two markets



Modern

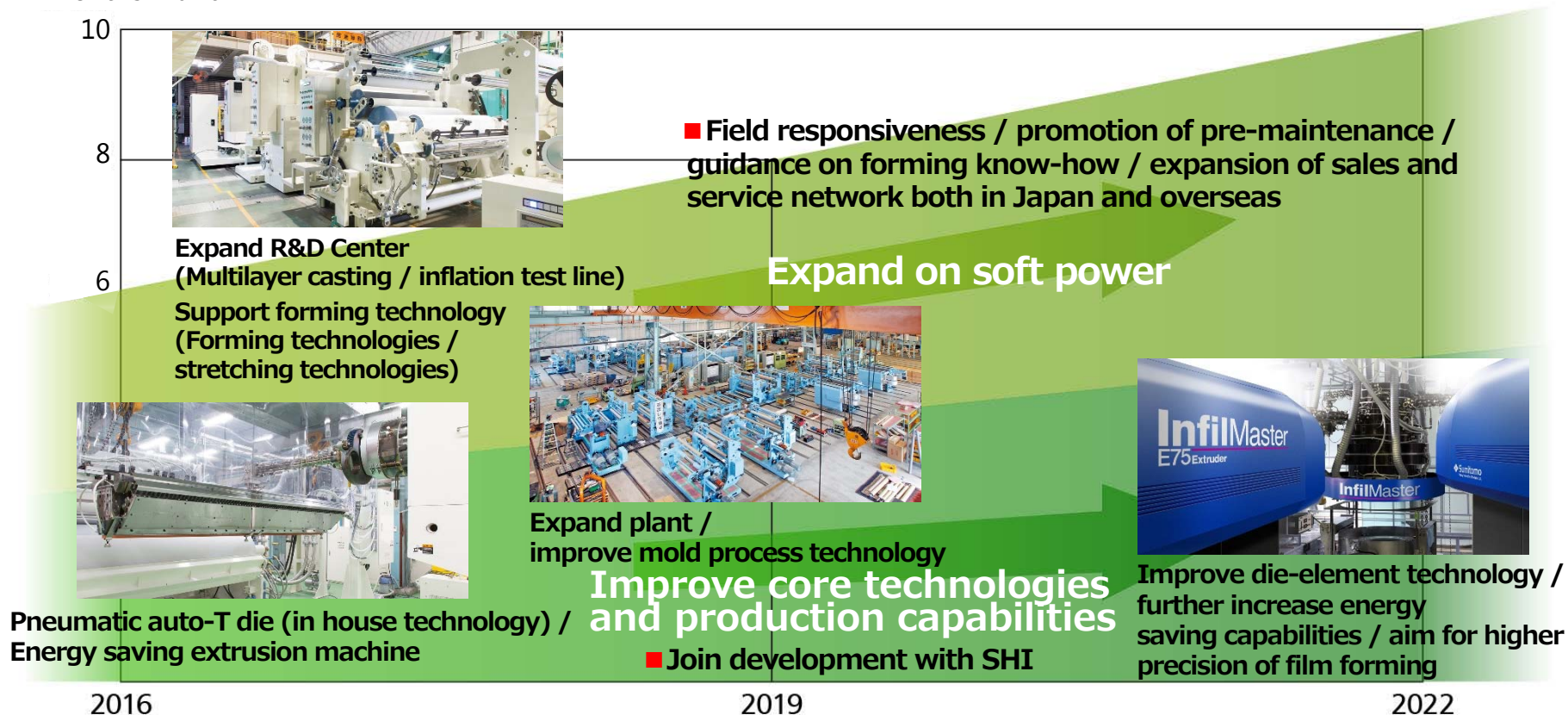
- Sales from JPY6 billion to JPY8 billion ⇒ Achieve further growth
- Expand sales area / sale enhancements of the segment of industrial materials and high performance film

02

“Medium-Term Management Plan 2019” Sumitomo Heavy Industries Modern, Ltd.

**Take steps towards achieving annual sales of JPY10 billion through
Expand on soft power and Improve core technologies and production capabilities**

Unit : JPY billion





All forward-looking statements regarding the company's future performance are based on information currently available to Sumitomo Heavy Industries and determined subjectively. Future performance is not guaranteed and all information related to future performance contained herein is subject to changes in business environments.